

Assembly Bill No. 50

CHAPTER 947

An act to amend Sections 20616, 20618, 21622, 21623, and 21623.5 of, and to add Section 21623.6 to, the Government Code, relating to retirement.

[Approved by Governor September 29, 2000. Filed
with Secretary of State September 30, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 50, Migden. Public Employees' Retirement System: postretirement death benefits.

The Public Employees' Retirement Law prescribes postretirement death benefits with respect to state members in the amount of \$2,000 and with respect to school members and specified local members in the amount of \$600 or, under certain conditions, in the amount of \$2,000, \$3,000, \$4,000, or \$5,000.

This bill would provide that the postretirement death benefit with respect to school members who die on or after January 1, 2001, shall be \$2,000 or, under certain conditions, \$3,000, \$4,000, or \$5,000, and would make related technical changes.

This bill would incorporate additional changes to Section 20618 of the Government Code proposed by SB 528 to take effect if this bill and that bill are enacted and become effective on or before January 1, 2001, and this bill is enacted last.

This bill would also incorporate additional changes to Sections 21622, 21623, and 21623.5 of the Government Code proposed by SB 1998 to take effect if this bill and that bill are enacted and become effective on or before January 1, 2001, and this bill is enacted last.

The people of the State of California do enact as follows:

SECTION 1. Section 20616 of the Government Code is amended to read:

20616. Sections 20469, 20470, 20502, 20512, 20570, 20571, and 20572 do not apply to contracts made pursuant to this chapter. The county superintendent of schools shall have no authority to exercise any election under any provision of this part, other than Section 21623.6, that applies to a contracting agency only on its election to be subject to it.

SEC. 2. Section 20618 of the Government Code is amended to read:

20618. The assets and liabilities arising out of contracts with school employers, as defined in Section 20063, shall be merged, excluding

that portion of a contract that provides benefits pursuant to Section 21623.6, that portion of a contract with respect to local police officers, as defined in Section 20430, and those contracts with school districts or community college districts, as defined in subdivision (i) of Section 20057, that employ school safety members, as defined in Section 20444. Employer accumulated contributions credited to those entities on June 30, 1982, and all the contributions paid by a school employer after June 30, 1982, shall be held exclusively for the benefit of school members, retired school members, and their beneficiaries.

A person who is a member under a contract between the board and school districts or community college districts prior to July 1, 1983, shall not be denied any right extended to him or her by reason of that membership.

SEC. 2.5. Section 20618 of the Government Code is amended to read:

20618. (a) The assets and liabilities arising out of contracts with school employers, as defined in Section 20063, shall be merged, excluding that portion of a contract that provides benefits pursuant to Section 21623.6, that portion of a contract with respect to local police officers, as defined in Section 20430, and those contracts with school districts or community college districts, as defined in subdivision (i) of Section 20057, that employ school safety members, as defined in Section 20444. Employer accumulated contributions credited to those entities on June 30, 1982, and all the contributions paid by a school employer after June 30, 1982, shall be held exclusively for the benefit of school members, retired school members, and their beneficiaries.

(b) Effective December 31, 1999, the assets and liabilities of the Los Angeles Unified School District and the Los Angeles Community College District held with respect to miscellaneous members and retirees who have service credit with those school districts prior to July 1, 1983, shall be merged with those assets and liabilities of other school employers as provided in subdivision (a). Any service previously credited as local miscellaneous service with those employers shall be considered service credit with a school employer.

(c) A person who is a member under a contract between the board and school districts or community college districts prior to July 1, 1983, shall not be denied any right extended to him or her by reason of that membership.

SEC. 3. Section 21622 of the Government Code is amended to read:

21622. (a) In lieu of benefits provided by Section 21620, upon the death of any person, after retirement and while receiving a retirement allowance from this system, there shall be paid to his or her estate, or to the beneficiary whom he or she shall nominate by written designation duly executed and filed with the board, the sum

of six hundred dollars (\$600), to be provided from contributions by the employer.

(b) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under this system.

(c) The additional employer contributions required under this section shall be computed as a level percentage of member compensation. The additional contribution rate required at the time this section is added to a contract shall not be less than the sum of (1) the actuarial normal cost and, (2) the additional contribution required to amortize the increase in accrued liability attributable to benefits elected under this section over a period of not more than 30 years from the date this section becomes effective in the contracting agency's contract.

(d) This section shall not apply to any contracting agency, except for those contracting agencies that are school employers and those school districts or community college districts, as defined in subdivision (i) of Section 20057, until the agency elects to be subject to this section by amendment to its contract made in the manner prescribed for approval of contracts, except an election among the employees is not required, or, in the case of contracts made after January 1, 1981, by express provision in the contract making the contracting agency subject to this section.

SEC. 3.5. Section 21622 of the Government Code is amended to read:

21622. (a) In lieu of benefits provided by Section 21620, upon the death of any person, after retirement and while receiving a retirement allowance from this system, there shall be paid to the beneficiary whom he or she shall nominate by written designation duly executed and filed with the board, the sum of six hundred dollars (\$600), to be provided from contributions by the employer.

(b) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under this system.

(c) The additional employer contributions required under this section shall be computed as a level percentage of member compensation. The additional contribution rate required at the time this section is added to a contract shall not be less than the sum of (1) the actuarial normal cost and, (2) the additional contribution required to amortize the increase in accrued liability attributable to benefits elected under this section over a period of not more than 30 years from the date this section becomes effective in the contracting agency's contract.



(d) This section shall not apply to any contracting agency, except for those contracting agencies that are school employers and those school districts or community college districts, as defined in subdivision (i) of Section 20057, until the agency elects to be subject to this section by amendment to its contract made in the manner prescribed for approval of contracts, except an election among the employees is not required, or, in the case of contracts made after January 1, 1981, by express provision in the contract making the contracting agency subject to this section.

SEC. 4. Section 21623 of the Government Code is amended to read:

21623. (a) In lieu of benefits provided by Section 21620 or 21622, upon the death of any retired state or school member, after retirement and while receiving a retirement allowance from this system, there shall be paid to his or her estate, or to the beneficiary whom he or she shall nominate by written designation duly executed and filed with the board, the sum of two thousand dollars (\$2,000), to be provided from contributions by the employer.

(b) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under this system.

(c) The additional employer contributions required under this section shall be computed as a level percentage of member compensation.

(d) This section shall apply to a school employer and a retired school member whose death after retirement occurs on or after January 1, 2001. This section shall not apply to any contracting agency or local member, except those contracting agencies that are school employers and those school districts or community college districts as defined subdivision (i) of Section 20057.

SEC. 4.5. Section 21623 of the Government Code is amended to read:

21623. (a) In lieu of benefits provided by Section 21620 or 21622, upon the death of any retired state or school member, after retirement and while receiving a retirement allowance from this system, there shall be paid to the beneficiary whom he or she shall nominate by written designation duly executed and filed with the board, the sum of two thousand dollars (\$2,000), to be provided from contributions by the employer.

(b) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under this system.



(c) The additional employer contributions required under this section shall be computed as a level percentage of member compensation.

(d) This section shall apply to a school employer and a retired school member whose death after retirement occurs on or after January 1, 2001. This section shall not apply to any contracting agency or local member, except those contracting agencies that are school employers and those school districts or community college districts as defined in subdivision (i) of Section 20057.

SEC. 5. Section 21623.5 of the Government Code is amended to read:

21623.5. (a) In lieu of benefits provided by Sections 21620 and 21622 upon the death of any local member, after retirement and while receiving a retirement allowance from this system, there shall be paid to his or her estate, or to the beneficiary whom he or she shall nominate by written designation duly executed and filed with the board, the sum of two thousand dollars (\$2,000), three thousand dollars (\$3,000), four thousand dollars (\$4,000), or five thousand dollars (\$5,000), whichever amount is designated by the employer in its contract, to be provided from contributions by the employer.

(b) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under the system.

(c) The additional employer contributions required under this section shall be computed as a level percentage of member compensation.

(d) This section shall not apply to a contracting agency unless and until the agency elects to be subject to this section by amendment to its contract made in the manner prescribed for approval of contracts, except an election among the employees is not required or in the case of contracts made on or after January 1, 1999, except by express provision in the contract making the contracting agency subject to this section.

SEC. 5.5. Section 21623.5 of the Government Code is amended to read:

21623.5. (a) In lieu of benefits provided by Sections 21620 and 21622, upon the death of any local member, after retirement and while receiving a retirement allowance from this system, there shall be paid to the beneficiary whom he or she shall nominate by written designation duly executed and filed with the board, the sum of two thousand dollars (\$2,000), three thousand dollars (\$3,000), four thousand dollars (\$4,000), or five thousand dollars (\$5,000), whichever amount is designated by the employer in its contract, to be provided from contributions by the employer.



(b) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under the system.

(c) The additional employer contributions required under this section shall be computed as a level percentage of member compensation.

(d) This section shall not apply to a contracting agency unless and until the agency elects to be subject to this section by amendment to its contract made in the manner prescribed for approval of contracts, except an election among the employees is not required or in the case of contracts made on or after January 1, 1999, except by express provision in the contract making the contracting agency subject to this section.

SEC. 6. Section 21623.6 is added to the Government Code, to read:

21623.6. (a) In lieu of benefits provided by Sections 21620, 21622, and 21623, upon the death of any school member, after retirement and while receiving a retirement allowance from this system, there shall be paid to the beneficiary whom he or she shall nominate by written designation duly executed and filed with the board, the sum of three thousand dollars (\$3,000), four thousand dollars (\$4,000), or five thousand dollars (\$5,000), whichever amount is designated by the employer in its contract, to be provided from contributions by the employer.

(b) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under the system.

(c) The additional employer contributions required under this section shall be computed as a level percentage of member compensation.

(d) This section shall not apply to a school employer unless and until it elects to be subject to this section by amendment to its contract made in the manner prescribed for approval of contracts or, in the case of contracts made on or after January 1, 2001, except by express provision in the contract making the school employer subject to this section.

SEC. 7. Section 2.5 of this bill incorporates amendments to Section 20618 of the Government Code proposed by both this bill and SB 528. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2001, (2) each bill amends Section 20618 of the Government Code, and (3) this bill is enacted after SB 528, in which case Section 20618 of the Government Code, as amended by SB 528, shall remain operative only until the operative



date of this bill, at which time Section 2.5 of this bill shall become operative, and Section 2 of this bill shall not become operative.

SEC. 8. Section 3.5 of this bill incorporates amendments to Section 21622 of the Government Code proposed by both this bill and SB 1998. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2001, (2) each bill amends Section 21622 of the Government Code, and (3) this bill is enacted after SB 1998, in which case Section 3 of this bill shall not become operative.

SEC. 9. Section 4.5 of this bill incorporates amendments to Section 21623 of the Government Code proposed by both this bill and SB 1998. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2001, (2) each bill amends Section 21623 of the Government Code, (3) AB 1829 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 1998, in which case Section 4 of this bill shall not become operative.

SEC. 10. Section 5.5 of this bill incorporates amendments to Section 21623.5 of the Government Code proposed by both this bill and SB 1998. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2001, (2) each bill amends Section 21623.5 of the Government Code, and (3) this bill is enacted after SB 1998, in which case Section 5 of this bill shall not become operative.

